

NPIC/TSSG/DED-1209-68
21 March 1968

MEMORANDUM FOR: Chief, Procurement Division, OL

ATTENTION :

THROUGH : Chief, Technical Services & Support Group, NPIC

SUBJECT : Labor Hour Estimate for Split Format Light Table

1. [] has proposed a price for their Split Format Light Table based upon a labor hour estimate of 300.7 hours per unit. This estimate is based upon a 50 min. labor hour which is commonly used in estimating manufacturing time. Should the lost time (10 min. @ hour) be counted as labor or rather as overhead? Eliminating this lost time would bring their estimate down to 250.6 hours per unit.

2. After reviewing [] manufacturing procedures and equipment, [] of Development & Engineering Division, concluded that their operation is relatively inefficient. The labor hour estimates which they have submitted may be correct, but he felt they were very conservative in their estimates. Even with the type of operation they are using, he believed that they should be able to produce a unit in approximately 200 actual labor hours or about 80% of the time their estimate. His estimate was arrived at by: visiting the []-along with 2 experienced engineers from our staff; inspecting their equipment; reviewing their manufacturing procedures with [] and spot checking the labor hour estimates submitted by []

[]
Acting Chief,
Development & Engineering Division, TSSG
NPIC

Distribution:

- Original - Addressee
- 1 - NPIC/TSSG
- 1 - NPIC/TSSG/DED
- 2 - NPIC/TSSG/DED/R&DBr-I

NPIC/TSSG/DED/[] (21 May 68)